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NATIONAL INTELLIGENCE ESTIMATE

NUMBER 89-64

Prospects for Political Stability in Venezuela

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE
Concurred in by the
UNITED STATES INTELLIGENCE BOARD
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MAP 39113





PROSPECTS FOR POLITICAL STABILITY IN VENEZUELA

THE PROBLEM

To estimate the outlook for political stability in Venezuela over the next two years.

SUMMARY

President-elect Leoni will almost certainly take office without serious challenge, and will probably enjoy an initial period of relative political calm. Nonetheless, the problems of creating and maintaining a viable administration and of coping with underlying social and economic tensions—together with the likelihood of further terrorist activities—will almost certainly produce a series of political crises during the period of this estimate. The Leoni government probably will survive these crises.

CONCLUSIONS

- A. Leoni is an experienced, generally capable political leader; but his ability to supply vital national leadership during a crisis is as yet untested. (*Para. 15*)
- B. Leoni's relations with Congress are likely to start out relatively peacefully. His political opposition will almost certainly turn more belligerent over time, but we believe he will be able to maintain control of Congress on key issues through 1965. (*Paras. 16–20*)
- C. The Communist and Castroist insurgents almost certainly will be unable to force their way to power during the period of this estimate, although they will retain a high capability for hit and run terrorism, including attacks against US personnel and property. Leoni probably will have to resort at times to extraor-



dinary measures such as suspension of constitutional guarantees to contain the insurgency threat within tolerable limits (by Venezuelan standards), and his timing in initiating these measures may involve him in difficulties with either Congress or the military. (*Paras. 22–28*)

D. The armed forces, the ultimate arbiters of political power in Venezuela, are generally disposed to support constitutional government for as long as it proves reasonably effective in dealing with national problems. In any event, the military is anxious to avoid an arbitrary move against the government which might alienate a large segment of the population. Thus a military coup is not likely unless Leoni becomes generally discredited with the population. Under such circumstances, a military coup would probably follow a relatively moderate course and offer the leftist insurgents little opportunity for substantial gains. (*Paras. 29–31*)



DISCUSSION

I. INTRODUCTION: THE IMPORTANCE OF VENEZUELA

1. Raul Leoni is scheduled to succeed Romulo Betancourt as President of Venezuela in March 1964. Leoni's success or failure in office will be of great importance to the US. Venezuela is of strategic importance as the world's largest exporter of oil. US capital investment in Venezuela totals about \$3 billion, exceeded only by our investments in Canada and in the UK. Venezuela, moreover, holds great symbolic value for our policy in Latin America as a country attempting rapid social and economic progress through constitutional democracy. Venezuela remains a priority target in Communist efforts to promote violent revolution in Latin America, primarily because Fidel Castro cannot afford to allow such an important democratic reformist regime to succeed. Venezuela is also the only Latin American country in which leftist extremists, with moral and material support from Cuba, have been able to sustain an impressive level of insurgency.

II. LEONI'S INHERITANCE: BETANCOURT'S PROBLEMS AND ACHIEVE-MENTS

2. President Betancourt's political legacy to his successor is a mixed one. On the one hand, Betancourt has moved constitutional democracy an important step forward by the very fact of surviving his legal term and successfully holding free elections. He also initiated an extensive program of social and economic reform. Finally, the last few months have been marked by a subsiding of political tensions, leading to a relatively auspicious environment for the transfer of power. On the other hand, Leoni will inherit, to one degree or another, the problems which have created recurrent crises for Betancourt from 1959 to the present: acute social tensions, limited national experience with representative government, Communist and Castroist insurgency, and the threat of a military takeover.

Political and Social Heritage

3. In addition to the direct assaults of leftist extremists and military dissidents, the Betancourt government has had to withstand harassment by opposition parties, obstruction of its program in Congress, and widespread popular indifference to the fate of constitutional democracy. These latter problems are rooted in Venezuela's lack of experience and confidence in representative government and in the acute social tensions prevailing in urban areas.





- 4. Venezuela has traditionally been ruled by military dictators; its only previous experience with democratic reformist government (1945–1948) was terminated by a military coup which led to the repressive dictatorship of General Marcos Perez Jimenez (1948–1958). Following his election in December 1958, Betancourt was able to form a strong multi-party coalition, because of widespread concern over the threat of another military intervention. By 1962, however, this coalition had splintered, and the opposition parties had gained control of the lower house of Congress. Various opposition parties joined with Communists and Castroists in a systematic obstruction of government programs, particularly of measures to control terrorism. The primary objective was to discredit Betancourt's Democratic Action party (AD). The political opposition apparently had come to fear AD's domination of the 1963 elections as much as it did the consequences of a military coup. From time to time the opposition parties threatened to boycott the elections.
- 5. Thanks largely to its petroleum, Venezuela has the highest per capita income in Latin America (over \$700), and its government is assured of substantial revenues, much of which the Betancourt administration has directed into programs to promote the welfare of the poorest classes. Nonetheless, one-half of the country's eight million people lives under severely depressed conditions. Moreover, because of a large rural-to-urban migration in recent years, much of the country's economically depressed population now lives pressed together in urban slums, without steady employment or other conventional social ties, and without much concern for Venezuela and the maintenance of orderly government. Particularly in Caracas, where lawlessness is prevalent among the 300,000 slum dwellers, much of the population has regarded the government and the police—not the terrorists—as its main antagonists.

Military Dissidence

6. Betancourt has had to contend with rightist military plotting throughout much of his term. Moreover, of the five garrison rebellions during 1960–1962, the last two, Carupano and Puerto Cabello, involved dissident military officers collaborating with leftist extremist civilians. Betancourt has survived these plots and assaults largely because the chief military commanders, and through them the bulk of the armed forces, have remained loyal to the government. Betancourt, recognizing the military to be the ultimate arbiters of political power in Venezuela, assiduously cultivated this loyalty. He maintained military perquisites at a high level, flattered the military with frequent presidential attention and praise, and courted the personal friendship of key officers

¹The Venezuelan armed forces consist of four separate services with the following numbers of officers and men: Army—17,800; National Guard (a militarized constabulary)—12,000; Navy (including Marines)—5,600; Air Force—2,500.



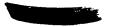


and garrisons. Most importantly, he maintained exceptionally good channels of communication between his office and all sectors of the armed forces as a means of explaining his policies and of monitoring the moods and anticipating the demands of the military. His efforts were favored by a growing political moderation among the military, stemming in part from an increasing professionalism among top officers and their fear that another military dictatorship would encounter stiff civilian opposition. At the same time, the military, keenly aware of Castro's extermination of the prerevolutionary military establishment in Cuba, regarded nervously Betancourt's politically motivated reluctance to crack down on leftist subversive agitation and violence. At times during 1963 a considerable restiveness spread throughout the military establishment.

Communist and Castroist Insurgency

- 7. Leftist extremists, led by the Venezuelan Communist Party (PCV), were the major disruptive force during the final years of the Betancourt administration. The PCV participated in the 1958 election, gaining 160,000 votes and nine seats in Congress. The party was propelled toward "armed struggle" against the government by its impatience with its limited opportunities to make gains through "political struggle," by the example of Castro's success in Cuba, and by the opportunities for violent action existing in Venezuela. The Communists found ready allies for insurgency in other extremist groups, most notably the Movement of the Revolutionary Left (MIR), a pro-Castro faction which split off from the AD party. They also found allies of convenience among rightist military dissidents.
- 8. The leftist extremists work through an organization called the Armed Forces of National Liberation (FALN). The PCV generally dominates FALN affairs, but undisciplined activists sometimes initiate terrorist activities on their own. The FALN is well organized and trained, aggressive and resourceful, but limited in numbers. Although the PCV and MIR combined probably can count on a political following in the tens of thousands, we estimate that the FALN has only some 600 to 800 active trained members, including those deployed in rural-based guerrilla bands. Most members are recruited from among urban youth, traditionally defiant of authority and extremist in politics.
- 9. The FALN has been able to obtain most of its funds, small arms, and explosives in Venezuela, primarily through robberies. Almost certainly, however, it has received material and financial assistance from Cuba. Most notably, government forces last November discovered a cache of small and medium weapons on the Paraguana Peninsula.² In addition.

² Located in northwest Venezuela, the major area of FALN guerrilla activity (see map).





more than a hundred FALN members have received paramilitary training in Cuba and elsewhere in the Communist Bloc. Cuban broadcasts to Venezuela endorsing the FALN cause and heralding its exploits have been an important boost to the insurgents' morale. Castro's moral and material assistance was an important factor in the early stages of the development of the FALN. Although Castro probably can call upon some elements in Venezuela to step up terrorism whenever it suits his purposes, at least over the past year the FALN has become an aggressive and effective terrorist organization that does not appear to need outside prodding.

- 10. The leftist extremists have used a variety of tactics in attacking the Betancourt government. During 1960–1962 they tried to force their way to power directly, first by means of a series of urban riots and then by a combination of guerrilla warfare in rural areas and the two garrison rebellions. These attempts only proved that they lacked sufficient popular and military support for the purpose. By late 1962, therefore, they turned to terrorism and sabotage as operations which could be conducted by a relatively few dedicated militants, but which would serve to discredit and weaken the Betancourt government while building up their own image and strength. In August 1963, they launched a major terrorist offensive to disrupt the December elections and provoke a military coup, hoping to profit from the resultant disorder and discord.
- 11. During most of 1963 the FALN was able to strike at a wide variety of targets, with a good chance of success, and very little risk of casualties or losses through capture. The police,³ handicapped by poor organization, inadequate training, low morale, and legal restrictions established or enforced in reaction to the Perez Jimenez dictatorship, were no match for the terrorists. The political leaders of the FALN were protected from arrest by congressional immunity; rank and file members were able to take advantage of the legal sanctuaries provided by the autonomous universities and the *de facto* asylums of the slum districts. Moreover, even when arrested, terrorists often were able to regain their freedom through legal technicalities, bribery, or escapes.
- 12. FALN efforts to disrupt the election through terrorism were thwarted, however, by the combination of a well-timed government crackdown, a notable improvement in police performance, and a show of determination by the population not to be intimidated by the terrorists. Betancourt, using some measures of doubtful constitutionality, moved to reduce FALN's disruptive capability, before military restiveness got out of hand, and after five anti-government candidates had committed themselves to the presidential race. On 30 September the military was called upon to assist in a roundup of known extremists and

[&]quot;Civilian police forces in Venezuela number nearly 19,000 men. In the Caracas area, there are five separate civilian forces with a total of over 10,000 men and a National Guard contingent of 700 men engaged in police duties.



suspected terrorists, including those hiding out in slum districts. In all, some 300 to 400 were jailed, including several PCV and MIR congressmen. In October, in response to pressure from the government, school officials closed Caracas' Central University, which further reduced the maneuverability of the terrorists. Starting in October, moreover, the police in Caracas, political nerve center of the country, proved to be a better match for the terrorists, inflicting more casualties and taking more prisoners than previously.4 The FALN still was able to undertake a large number of hit-and-run raids, especially outside of Caracas. But because of accumulated losses in manpower and morale, it was either unable or unwilling to mount an impressive last-minute attack. Its repeated threats against the voters probably proved counterproductive. On election day (1 December) the population went to the polls in overwhelming numbers; FALN attacks were few and ineffectual. Since the election, the terrorists have been relatively inactive, which is in large part responsible for the political calm of the final Betancourt months.

III. THE OUTLOOK FOR THE LEONI ADMINISTRATION

13. President-elect Leoni will almost certainly take office without serious challenge, and probably under conditions which promise initially a continuation of the relative political calm of the post-election period. Nonetheless, the problems of creating and maintaining a viable administration and of coping with underlying social and economic tensions—together with the likelihood of further terrorist activities—will almost certainly produce a series of political crises during the period of this estimate. The Leoni government probably will survive these crises.

The Inauguration

14. In view of the mandate for a constitutional succession implicit in the dramatic voter turnout for last December's election and of the distribution of the vote, an attempt by either the military or the antigovernment parties to prevent Leoni from taking office is highly unlikely. Leoni, the AD candidate, received 33 percent of the vote in a seven-man race and held a 370,000 vote margin over his nearest competitor. Moreover, second place fell to Rafael Caldera of the Social Christian party (COPEI), AD's coalition partner throughout Betancourt's term. The AD and COPEI candidates together commanded 53 percent of the vote; no anti-government candidate received as much as 20 percent. The terrorists probably are not ready to undertake a serious attack against Leoni's taking office, although they may attempt some acts of violence to discredit the inauguration.

^{&#}x27;US advice and assistance contributed in large part to the improved performance of the police. Among other things, we were primarily responsible for the introduction of training in marksmanship and other practical subjects and the establishment of improved coordination among Caracas' many and often competing police agencies.





President Leoni

15. Much of the burden for the survival of constitutional democracy in Venezuela now rests personally with Raul Leoni whose ability in a crisis is as yet untested. Leoni has been engaged in politics for some 35 of his 58 years: he suffered imprisonment and exile for revolutionary activities against dictatorships, was a founder along with Betancourt of the AD party, and has long been the leader of the party's labor sector. During Betancourt's term, Leoni served as president both of the Senate and of the AD party. He is intelligent, diligent, tenacious, and is considered a good administrator. On the other hand, he lacks some of Betancourt's outstanding political assets, particularly his personal magnetism, impressive public manner, and skill at cultivating close relations with the leaders of other parties, the military, and the business community. Leoni's opening moves to win the support, or at least the tolerance, of these groups have gone well. In this he has benefited from the good will of Betancourt, who, for example, accompanied him on a post-election tour of military installations. Leoni, probably for as long as he solicits it, can continue to count on the support of Betancourt. Moreover, some of Betancourt's most experienced ministers and advisers are ready to serve Leoni. Nonetheless, Leoni's ability to supply national leadership and command the respect of key groups on a sustained basis is yet to be proven.

Political Prospects

16. Leoni probably will be able to form a government coalition with effective control of Congress, and presidential relations with Congress in general will at least start out much less abrasively than was the case during Betancourt's final years, when almost no legislation was passed. For as long as these conditions persist, they greatly increase the odds in favor of Leoni's survival in office, as well as improve the prospects for national progress in political maturity, economic development, and social reform.

17. The new Congress meets on 2 March, and negotiations for a coalition now are underway. Leoni's AD party will hold 46 percent of the seats in the Senate, but only 36 percent of the total in the Chamber of Deputies.⁵ There is a better than even chance that COPEI will join a coalition under Leoni, which would give him a majority in both houses; he would also be able to control Congress by forming a coalition with moderates and moderate leftists elected under various other party banners. Some of the latter groups may be invited to join AD-COPEI in a multi-party coalition. In any case, the formation of a coalition is dependent on the negotiation of a working arrangement involving certain concessions on the part of AD in terms of positions of prestige and

⁵ For the lineup of parties in the new Congress, see page 9.



influence and the control of expenditures. It remains to be seen whether COPEI or any of the other parties will demand more for solid support than AD is willing to concede.

LINEUP OF PARTIES IN THE NEW CONGRESS

PARTY AND BRIEF DESCRIPTION	Senate Seats	CHAMBER OF DEPUTIES
DEMOCRATIC ACTION (AD) Comparable in policy to European Social Democratic parties and to the APRA party in Peru.	23	65
SOCIAL CHRISTIANS (COPEI)	9	40
DEMOCRATIC REPUBLICAN UNION (URD) Largely moderate leftists, but contains extreme leftist members.	7	29
USLAR GROUP Members elected on tickets supporting presidential candidate Arturo Uslar Pietri; mostly moderates but includes some far rightists.	5	22
LARRAZABAL GROUP Members elected on tickets supporting presidential candidate Wolfgang Larrazabal; includes both moderates and erstwhile extreme leftists.	4	16
OTHER (Includes 1 senator and 5 deputies of the so- called ARS party which defected from the AD party in 1962.)	2	7
Total	50	179

18. We believe that Leoni's best guarantee against political isolation in the midst of a crisis would be to reforge the alliance between AD and COPEI, in the past the two stoutest defenders of representative government. AD and COPEI alone could provide Leoni with formidable popular backing, especially among labor and peasant groups, as well as with firm control over Congress. There are no major policy differences between the two parties, and the top leadership of each apparently is anxious to renew the coalition. Coalition relations almost certainly would prove more complicated and strained than in the past, however, because of COPEI's surprisingly strong showing in the election, and AD's relatively disappointing one. COPEI formerly accepted the position of junior partner, but now is demanding a major voice in the shaping of government strategy.

19. On the other hand, a variety of factors is likely to encourage more peaceful congressional relations, at least initially, no matter what the composition of the government coalition. For one thing, the election campaign, which exacerbated party relations throughout 1962–1963, is





over; the next election is five years away. For another, both AD and COPEI increased their representation in Congress, whereas the parties which led the harassment of Betancourt suffered sharp losses. The PCV and MIR, which together held up to 24 seats in the old Congress, were barred from participation in the election. The ARS faction of AD, whose defection threw control of the old Congress to the opposition, has been largely eliminated as a political force. The Democratic Republican Union (URD), the leading opposition party in the old Congress, has been chastened by its poor electoral showing, is moving to purge its extremist elements, and may be ready to adopt a less obstreperous attitude. Finally, moderates and conservatives will be better represented in the new Congress: several of the members elected on tickets supporting presidential candidates Arturo Uslar Pietri and Wolfgang Larrazabal will be primarily interested in promoting conditions favorable for business.

20. The political opposition to Leoni almost certainly will become more belligerent as his term wears on. The ARS congressmen, several Castroists elected on the URD ticket, some former members of MIR elected on Larrazabal's coattails, and some rightist extremists elected under Uslar's banner could provide the makings of a small, but rabble rousing opposition from the start. Apparently there is little disposition on the part of AD to conciliate URD with government posts as a price for this party's cooperation. If excluded from participation in the government, URD would probably become progressively more critical of the administration and might eventually join with the extremists. Many congressmen, conservatives and moderates included, retain ambivalent attitudes toward constitutionalism, and there is a danger that additional political groupings in time might join in a systematic harassment of the government. Some groups are sure to regard the first signs of a political crisis as a signal for taking soundings on the possibilities for a military coup. However, even if COPEI does not join the coalition it would probably come to Leoni's support against a threat to constitutional order.

Social and Economic Issues

21. The Leoni government will probably continue the basic social and economic policies of the Betancourt government. The Venezuelan economy will impart a positive thrust to the new administration's efforts. There are strong indications that the economy is continuing to rebound from a recession in 1960–1961 and the period of the estimate is likely to be one of considerable growth. Business confidence is high and an expansion of private capital investment will complement the government's social welfare and development programs to create many new jobs. In these circumstances, however, popular expectations will require of Leoni not only that he continue Betancourt's social and eco-



nomic programs, but that he substantially improve upon their content and the efficiency with which they are implemented. It is in meeting popular expectations for substantial improvement and progress in national programs that Leoni may encounter difficulties. Rapid population growth, housing deficiencies, inherent problems in the execution of an agrarian reform program, and urban tensions aggravated by unemployment are problems that can only be alleviated slowly under the best

Leftist Insurgency

of conditions.

- 22. Leoni probably will take advantage of his initial control of Congress to press for legislation to improve the legal framework for dealing with terrorism. Laws tightening the criminal codes generally and raising penalties for specific acts of terrorism stand a good chance of early enactment. A law defining the obligations of political parties and providing for the outlawing of parties espousing terrorism also may pass, but only after considerable delay because of the sensitivity of all parties to the general issue, in remembrance of the Perez Jimenez dictatorship. Leoni almost certainly will lend the full weight of his office to promoting further improvements in the police. Finally, the extremist political leaders and terrorists arrested since last September probably will be detained in prison, at least for extended pre-trial periods.
- 23. The relative inactivity of the terrorists since the election in large part reflects their awareness of growing public resentment of extremist tactics and the preoccupation of the PCV with regrouping its forces and reassessing its policies. There is some sentiment within the party for a temporary renunciation of terrorism. We believe, however, that any retreat from "armed struggle" which does materialize will prove short-lived. The party would have little to gain through "political struggle" until the 1968 elections; it is largely blocked from influence in trade unions, peasant organizations, and other mass groups with the exception of students, by the prevailing influence of AD and other moderate left parties. Moreover, the PCV leadership almost certainly would be unable to restrain for a prolonged period the undisciplined groups within the FALN, or even the violence-prone youth within its own party. Should these elements take to the offensive on their own, the PCV probably would lose whatever political advantages a renunciation of violence might afford and, more important, would be in danger of losing control of the FALN. It is likely, therefore, that the FALN, supported by the PCV, will return to the systematic use of violence during the first year of Leoni's term.
- 24. The Communist and Castroist insurgents almost certainly will be unable to force their way to power during the period of this estimate. As in the past, we expect them to employ a variety of means of attack not only to exploit issues which have weakened the government, but



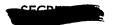
also to create them. If conditions are favorable, they may attempt to provoke a military coup, in hopes of finding improved opportunities for gains through insurgency or political action in the post-coup period. The Leoni government probably will be able to contain the insurgency threat within tolerable limits (by Venezuelan standards), although to do so it probably will have to resort at times to such extraordinary measures as mass arrests and suspension of constitutional guarantees. If in these instances Leoni were to crack down too soon or too harshly, his executive decrees might not be backed up by Congress, and a political crisis might result; on the other hand, if he were to move too slowly or ineffectively, the military might intervene to do the job. If, however, the Leoni regime achieves success in managing the economy and moderating partisan struggles, there will probably develop a national consensus against terrorism. In this case Leoni could move with the support of both Congress and the military, and the insurgents probably would suffer losses which would become increasingly difficult for them to repair.

25. The FALN will retain a high capability for individual hit-and-run assaults, including attacks against US personnel and property. The police in Caracas still are relatively inefficient, and in most other cities, elemental improvements in police operations have not yet taken place. Even against increasingly proficient police, moreover, the terrorists still would enjoy the advantage of choice of target and time. Judging by past reactions, the Venezuelan economy, population, and military probably will be able to tolerate sporadic violence. If, however, the FALN launches an intensive terrorist offensive, or concentrates its attacks on sensitive targets such as military personnel, the Leoni government sooner or later would be forced to order a crackdown. When it does, the police and military would probably perform at least as well as they did during the crisis of October–November 1963.

26. The extremists have had difficulty recently in rousing the Caracas slum dwellers to demonstrate; even among students, the vanguard of past riots, there is a growing tendency to avoid actions which might cause the closing of schools. Nonetheless, should the extremists seize upon a popular cause, they probably could mount a sizeable riot. The police and military forces, calling upon past experience and recent improvement in capabilities, probably would be able to gain control of any riot, but possibly not before many casualties had been suffered on all sides.

27. The leftist extremists may from time to time concentrate more of their efforts on guerrilla warfare. We estimate that the FALN has only a few hundred rural guerrillas, operating in Eastern and Western Venezuela. The military and police, generally with the support of the rural population, have been able to keep the guerrillas on the defensive much of the time, although campaigns to root out individual bands





have so far been unsuccessful. The FALN probably could increase the number of guerrillas by transferring urban terrorists. On the other hand, government antiguerrilla capabilities are likely to increase over time, with further training and field experience. We believe, therefore, that for the period of this estimate the guerrillas will be restricted largely to their current capabilities of sporadic hit-and-run attacks on outlying communities.

28. The FALN may attempt desperate measures, such as the assassination of Leoni, to disrupt the government. Venezuela has no vice presidential office. In the event of Leoni's death, the President of Congress would serve as interim President of the Republic. Congress would then be charged with choosing a successor within 30 days, to serve the remainder of Leoni's term. Should the transition go smoothly, the military probably would not intervene, and the cost to the terrorists for such an act, both in terms of public disfavor and government reprisals, probably would be great. The FALN also might attempt a direct military attack on a key city (there is evidence that the weapons in the Paraguana arms cache were to be used for such a purpose). Barring defection to the insurgents of a sizeable part of the armed forces, which is unlikely, government troops would almost certainly quickly dispose of a direct attack.

Leoni and the Military

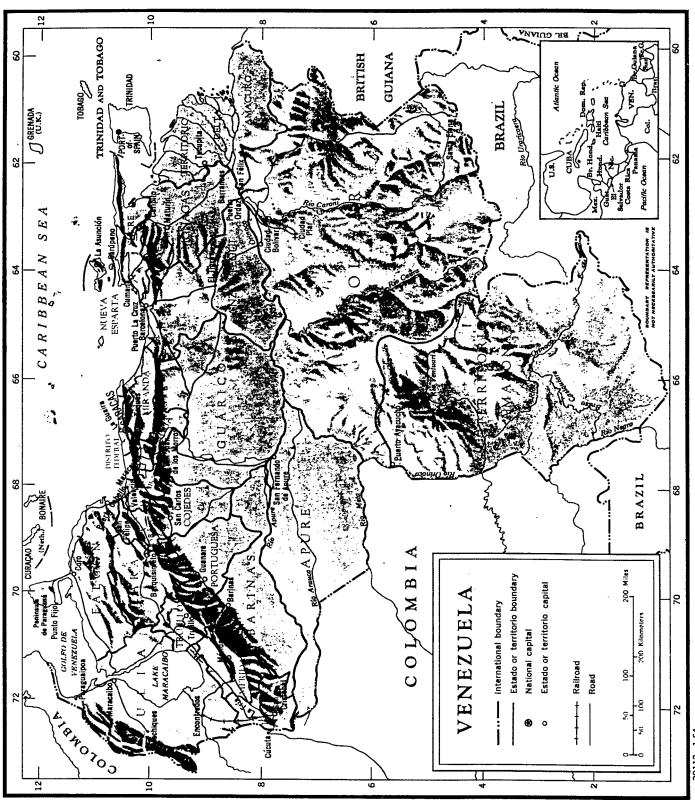
- 29. The military will continue to be the ultimate arbiter of political power in Venezuela, and the only force capable of unseating the government. We believe that the chief military commanders and the bulk of the armed forces are disposed to support a constitutional government for as long as it proves reasonably effective in protecting their interests and those of the nation. Rightist military plotting probably will continue as a chronic condition. The rightists within the military apparently lack respected leaders, however; and Leoni probably will enjoy success with Betancourt's tactic of dispersing the chief malcontents through "golden exile" to diplomatic posts. We believe that extreme leftist officers are few in number and limited in influence; at most, they would be capable of inciting to rebellion individual garrisons.
- 30. Leoni almost certainly will continue Betancourt's policy of strenuously courting the loyalty of the military. Although he probably will be unable to duplicate Betancourt's skilled personal touch, Leoni can be counted upon to use many of his predecessor's tactics, e.g., frequent strategy meetings with key officers and visits to barracks. The moderates in the military probably have adopted a wait-and-see attitude toward Leoni personally. Although the success of the elections may have boosted temporarily their general confidence in representative government, they will reserve judgment until Leoni proves that the system can work with him at the helm. Thus, the failure of Leoni to gain

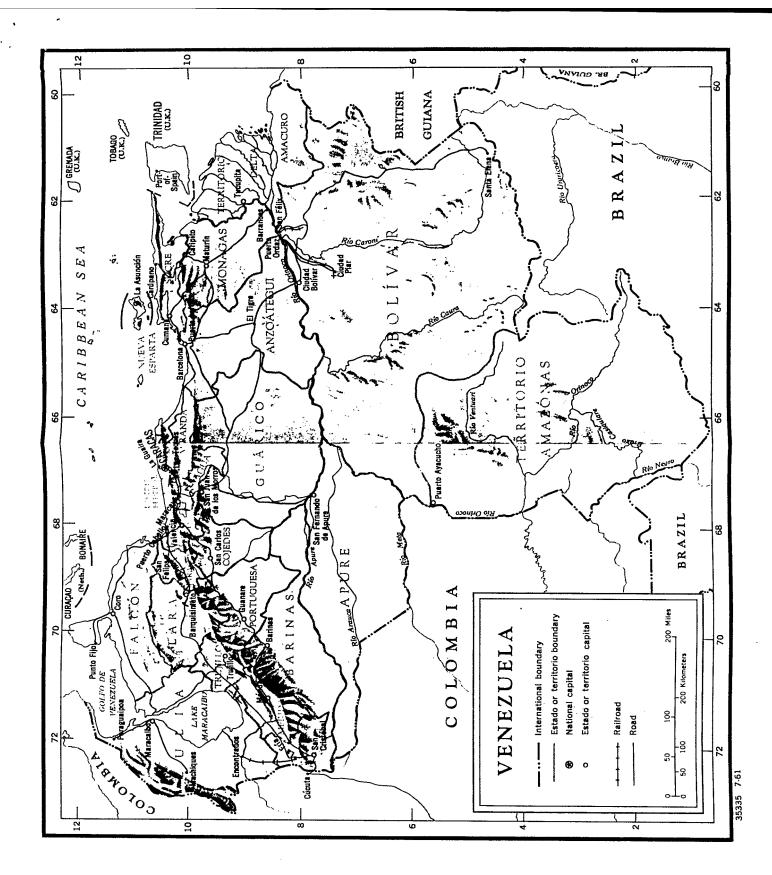


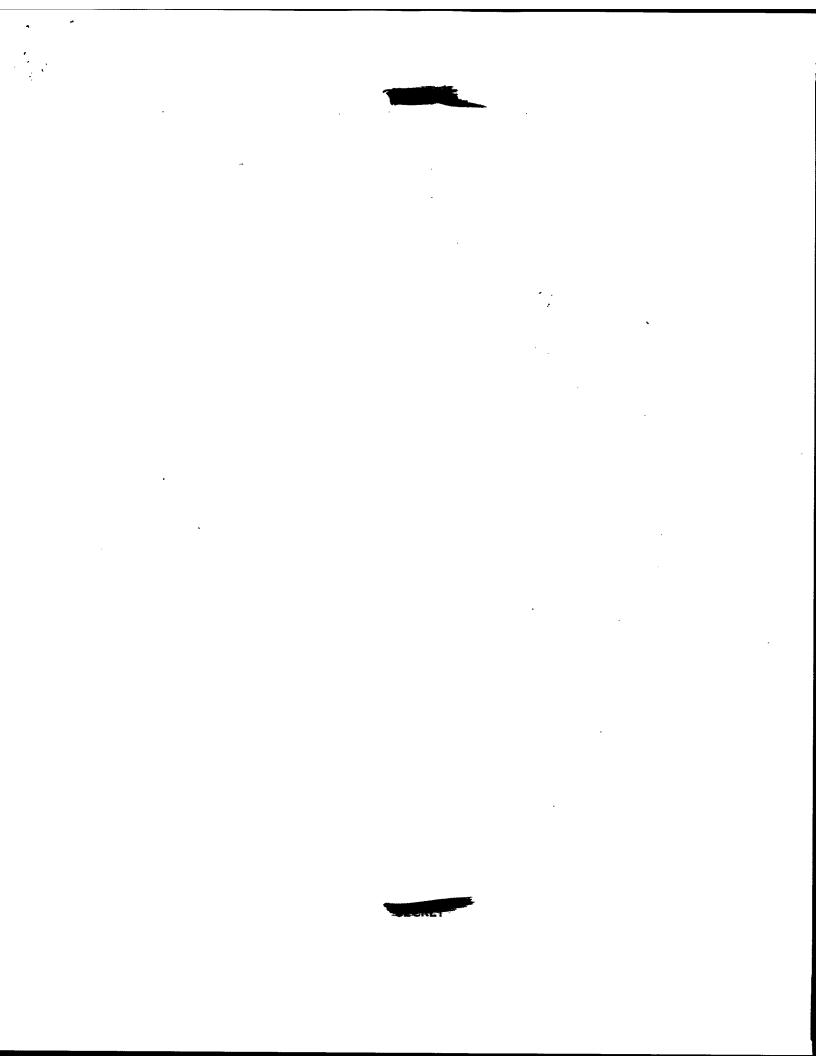


and retain workable control over Congress, or his manifest inability to deal with national problems, particularly with leftist insurgency, would be certain to produce sentiment for a coup among the moderates.

31. A Military Coup. The course and consequences of a military coup would depend on the particular circumstances. We believe that the military is anxious to avoid an arbitrary move against the government which might alienate a large segment of the population. Thus, even in a period of rising military discontent with civilian government, the chief military commanders probably would use their influence to avoid a coup unless Leoni and the AD party became generally discredited and most of the population appeared ready to support or at least accept a military intervention. Under such circumstances, an intervention probably would meet with little organized resistance, prove relatively moderate in policy, and provide for new elections after a reasonably short period. The leftist extremists would probably find little opportunity for substantial gains. On the other hand, if an intervention took place under circumstances in which AD and possibly other civilian groups were determined to resist, and the country was faced with a civil war, the Communists and Castroists might be able to maneuver themselves into a more favorable position.







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